FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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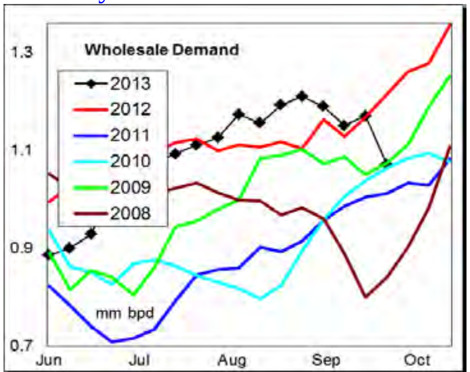
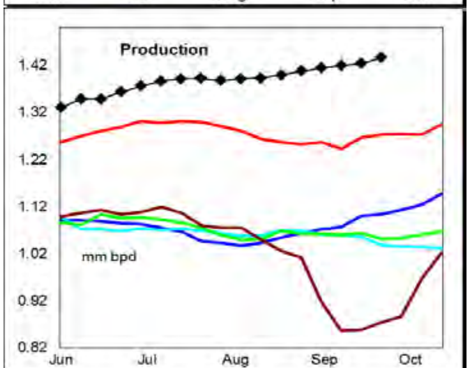
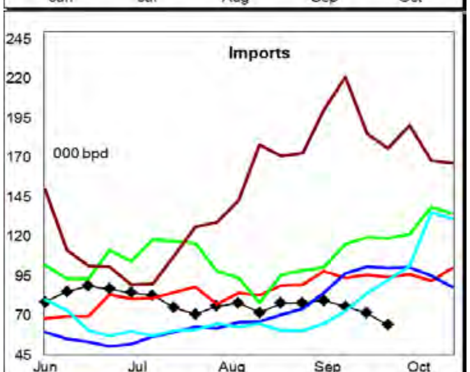
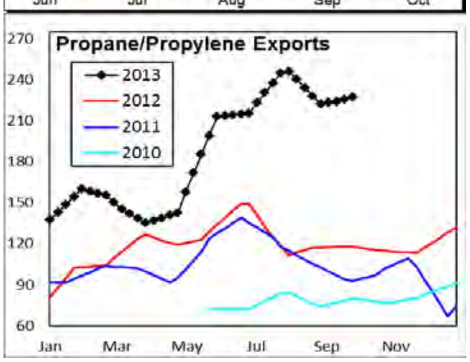




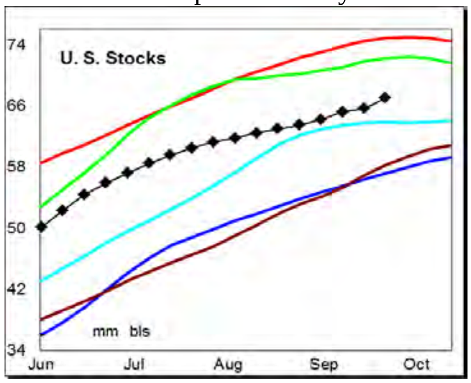




Wholesale demand decreased -100,000 bpd last week to the lowest level of the last quarter. Production increased +7,000 bpd on the week while imports were -28,000 bpd lower.

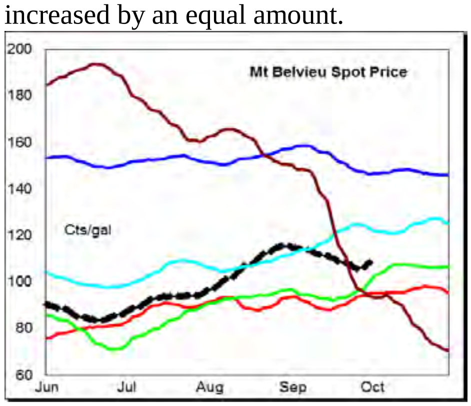
Combined production and imports during the latest 4-wk period were +149,000 bpd above a year ago. Production was +172,000 bpd above last year (+14%), while imports were -23,000 bpd lower.

The latest 4-wk average demand was +66,000 bpd above last year. Exports increased +109,000 bpd for the most recent week compared to last year.



Stocks increased +1.6 million barrels on the week, with increases in all regions. *The latest 4-wk stock build was +3.5 million barrels, slightly more than each of the last 3-yrs.*

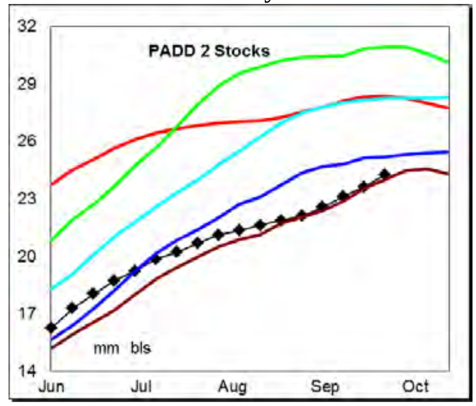
Price and Spreads Mt Belvieu spot price increased +5 cpg for the week ending 02Oct13 while Conway spot price increased by an equal amount.



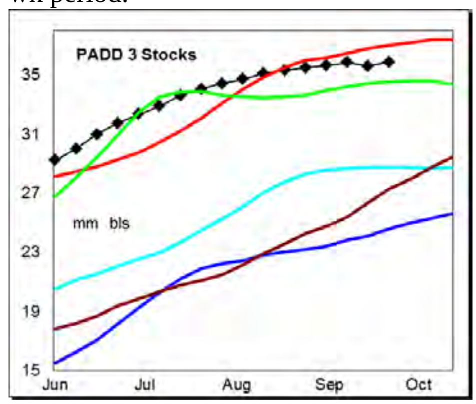
The Conway – Mt Belvieu price spread ended the week at -3 cpg, comparable to the historic mid range for the week.

PADD 1 stocks increased +0.4 million barrels last week, with the level -2.4 million barrels below last year. Supply was nearly unchanged last week. Supply for the latest 4-wk period was +34,000 bpd above a year ago.

PADD 2 stocks increased +0.4 million barrels on the week. Supply declined --13,000 bpd on record low imports. The latest 4-wk supply was -21,000 bpd below a year ago. Stock levels ended the week -16% below last year.



PAD 3 stocks increased +0.6 million barrels last week, to a level -3.6% below a year ago. Supplies were +110,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.2 million barrels last week. Stock levels nearly matched last years' record high.

Emerging Trends Wholesale demand has dropped sharply during the last 3-wks following an end to summer fill programs. Production has continued at record levels leading to a high rate of stock building in the Midwest; although stock levels remain very low in the region.

Colder than normal temperatures in the Midwest during the 1st half of October should provide support to wholesale prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

October 3, 2013

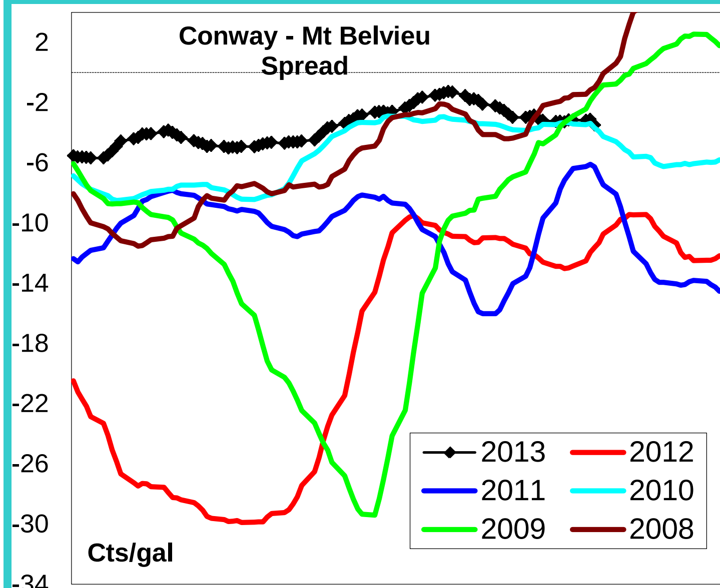
Fundamental Trends for the Week Ending: Friday, September 27, 2013

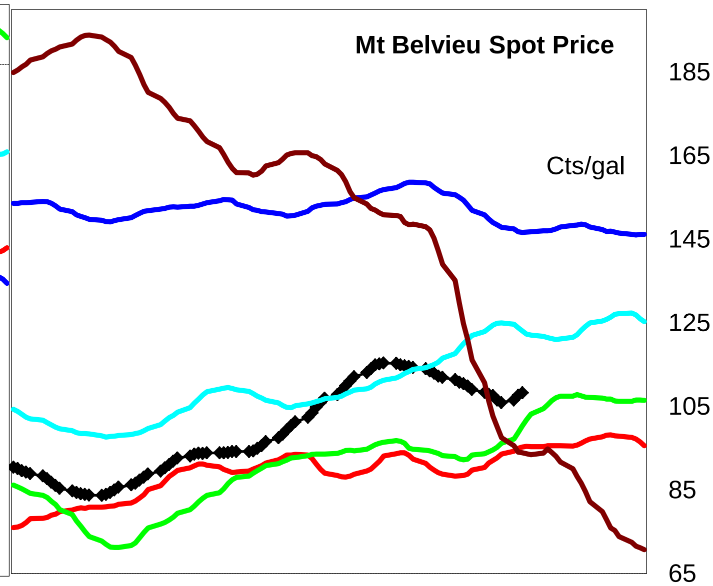
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	67,025	4,008	24,253	35,872	2,892	1,570	415	381	614	160
Propylene Stocks	3,131					-6				
Production	1,437	89	291	863	194	7	3	7	-20	17
Imports	64	34	18	0	12	-28	-4	-20	0	-3
Whsle Demand	1,050					-100				

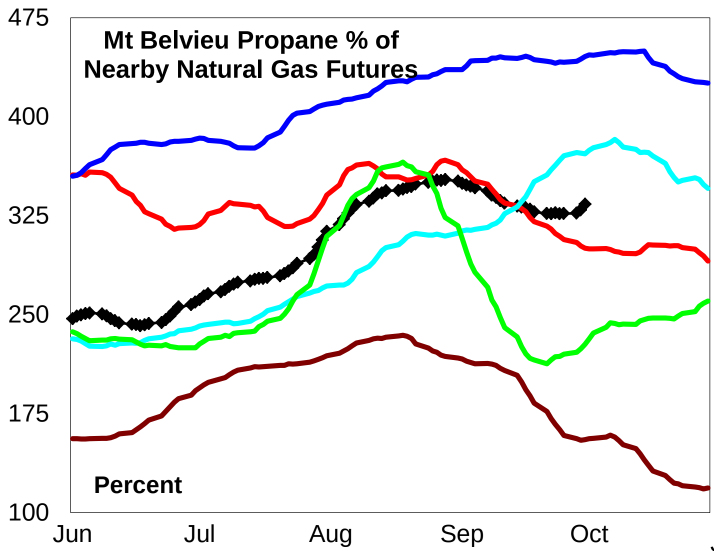
Price Trends for the Week Ending: Tuesday, October 01, 2013

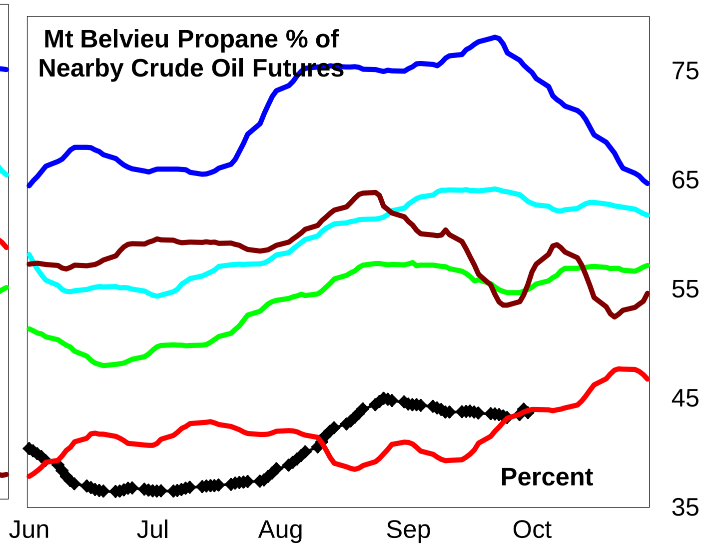
Cents/gal	Average for week ending:				Change from:			% change from:		
	10/1/13	9/24/13	9/3/13	10/4/12	9/24/13	9/3/13	10/4/12	9/24/13	9/3/13	10/4/12
Mont Belvieu Spot	106.6	107.3	117.8	95.5	-0.79	-10.42	22.25	-0.7	-8.8	23.3
Conway Spot	103.4	104.0	116.6	82.0	-0.63	-12.59	34.58	-0.6	-10.8	42.2

Key Price Spreads and Differentials









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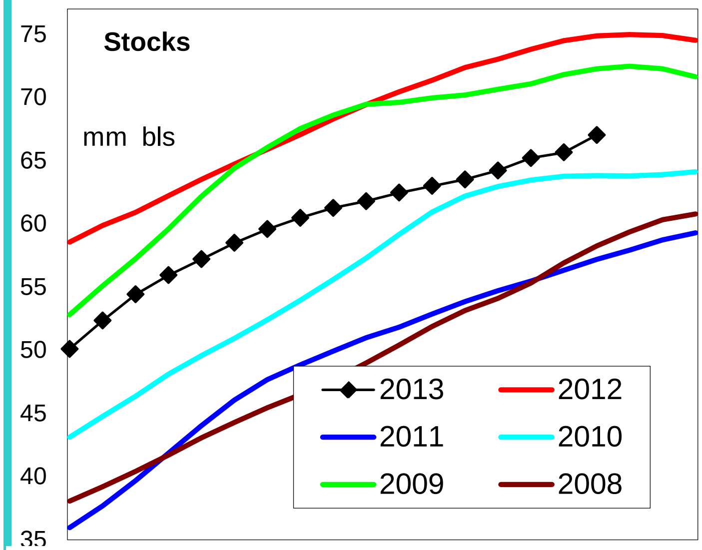
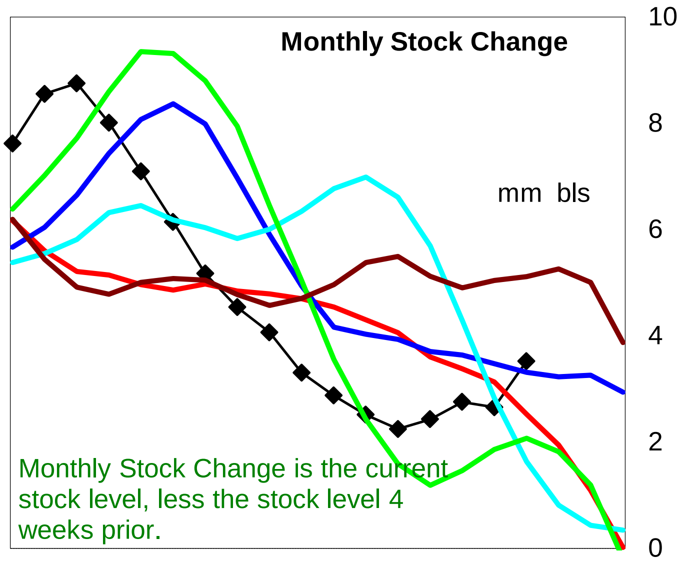
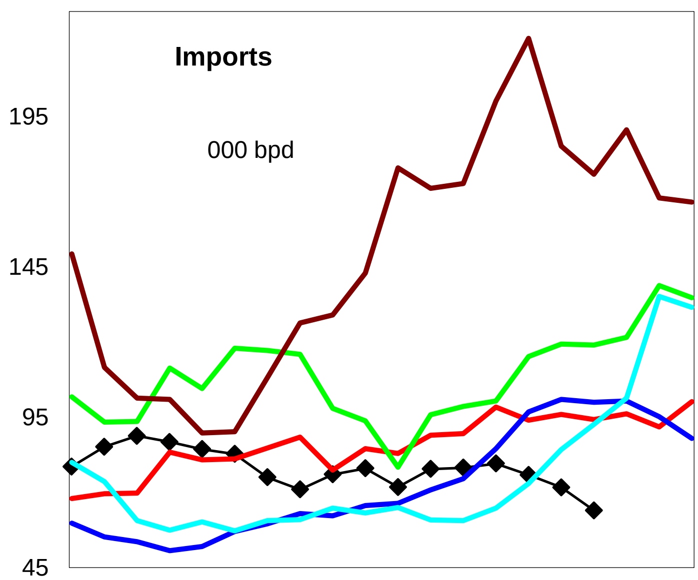
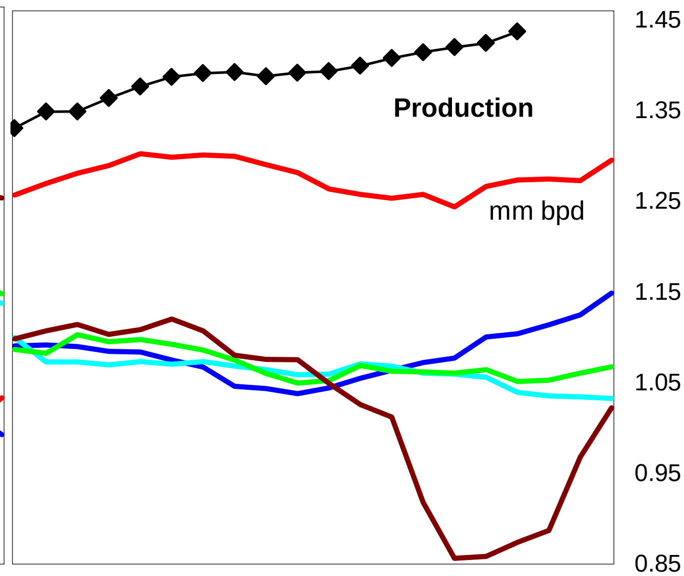
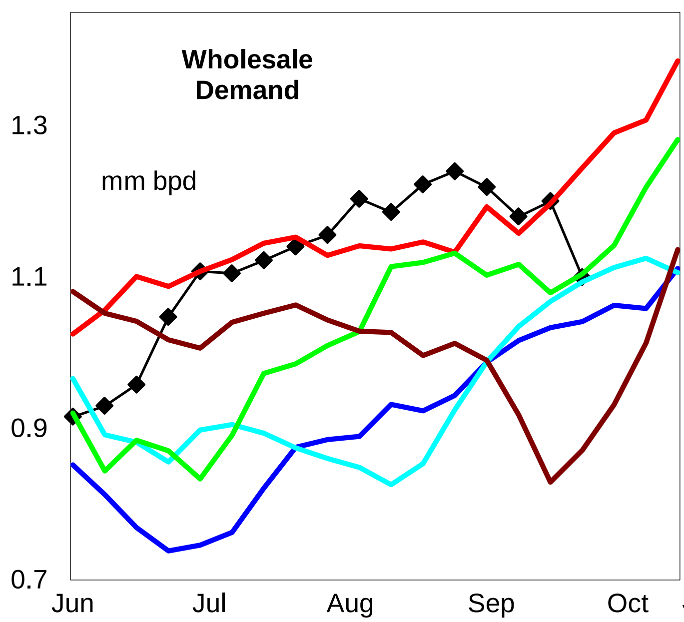
U. S. Propane Supply and Demand Balance

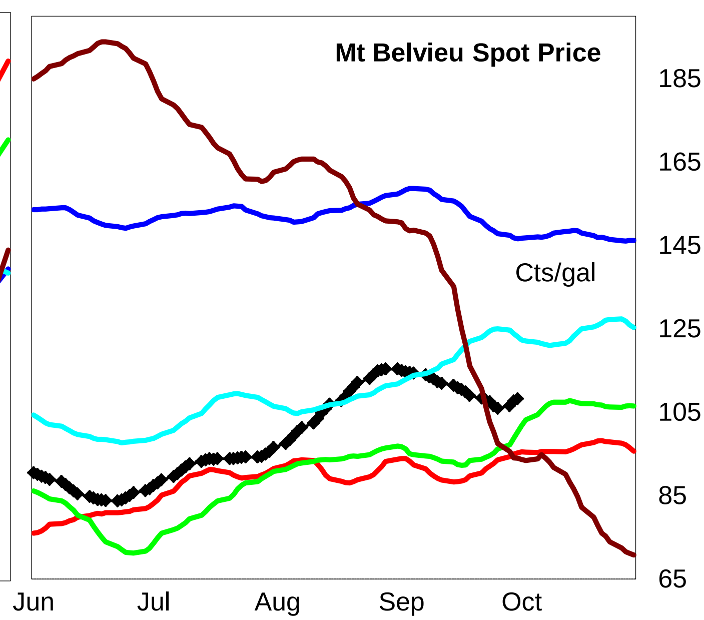












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Aug	Jul	Jun
000 bpd (000 bls stks)	-8,559	1,001	172	-23		66	24	64	-85
% change	-11.3	40	13.7	-22.4		5.9	2.2	6.3	-8.0

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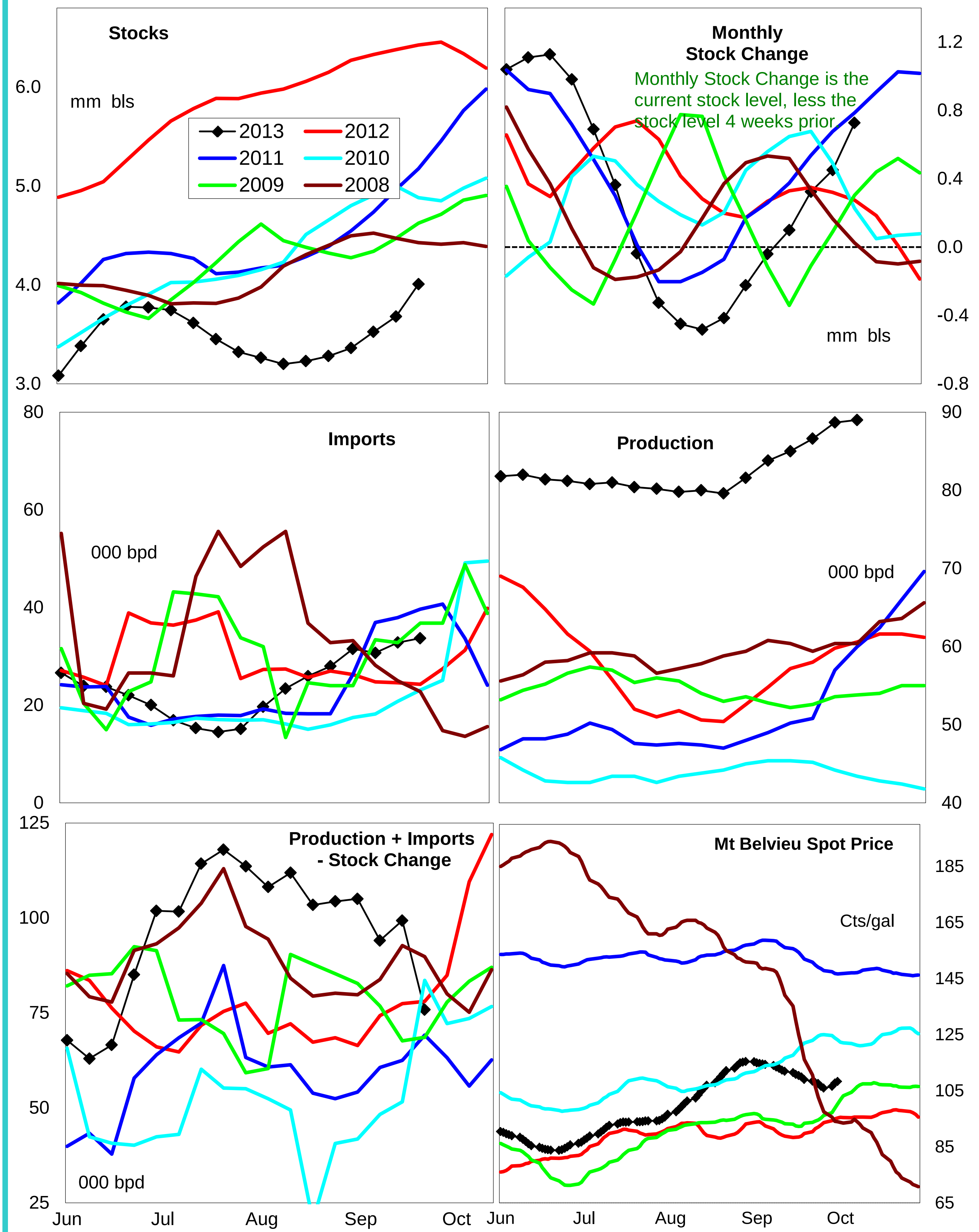
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,351	451	29	5	20
% change	-37.0	163.9	47.5	20.4	26.4

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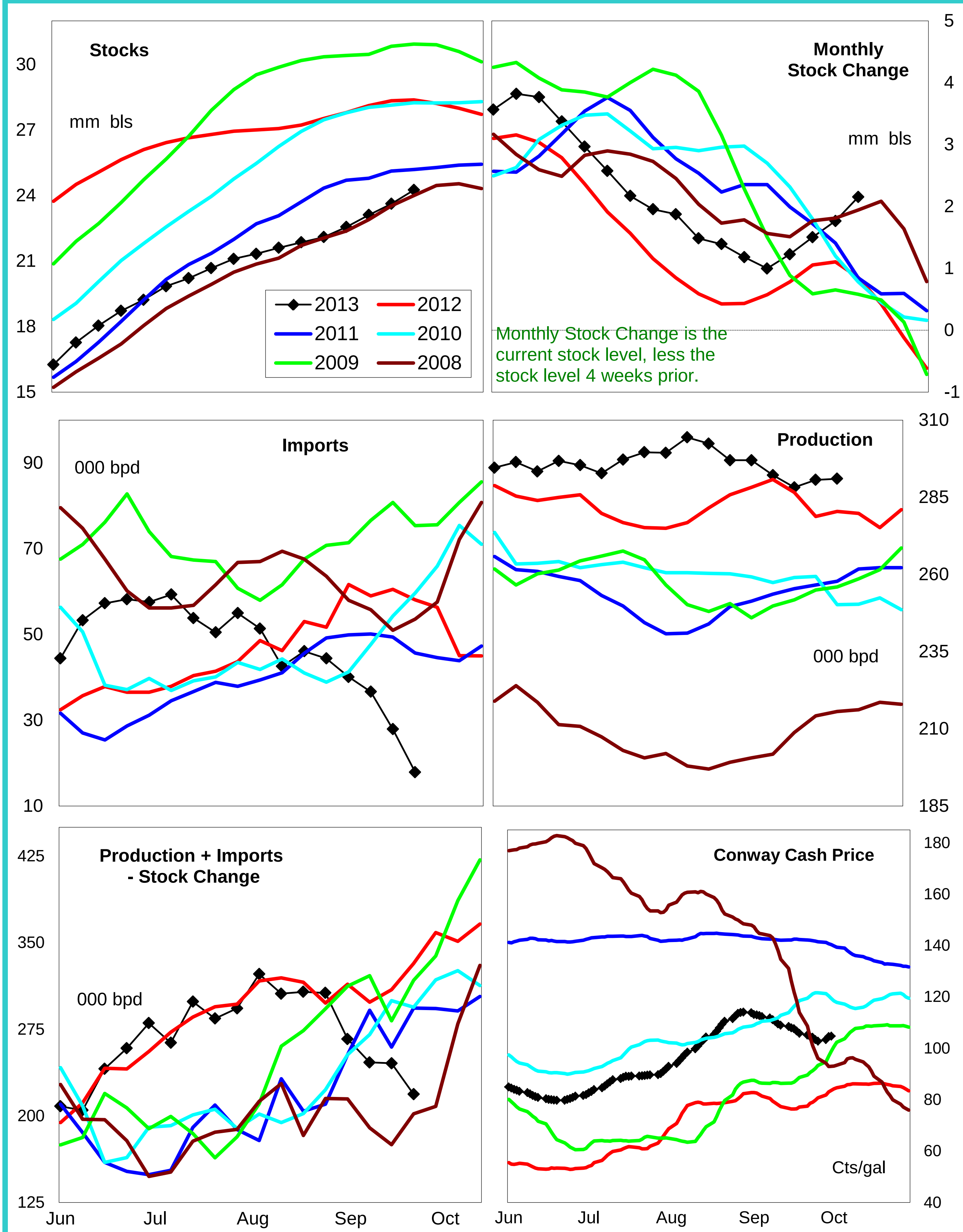
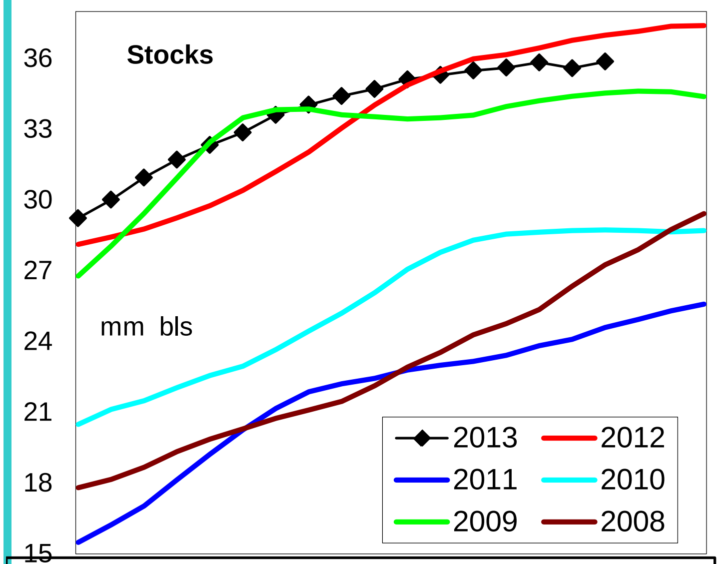
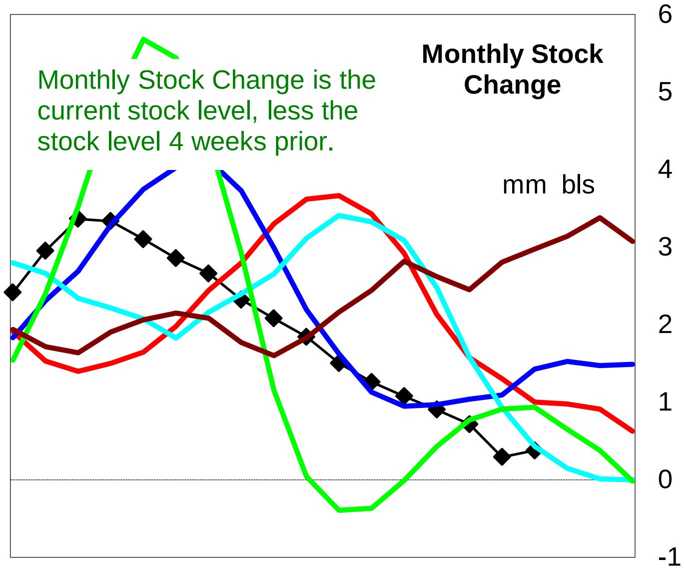
PADD 2 Propane Supply and Demand Balance

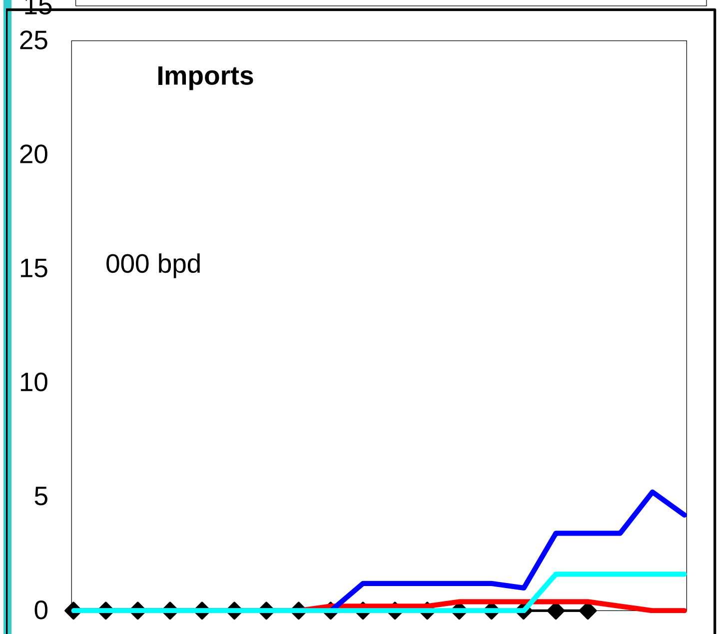


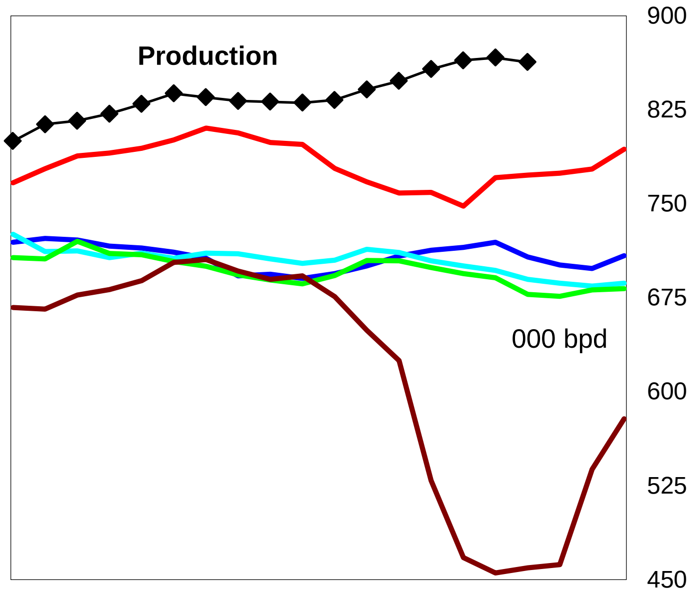
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-4,608	1,298	6	-27	-69
% change	-16.0	152.1	1.9	-40.1	-22.1

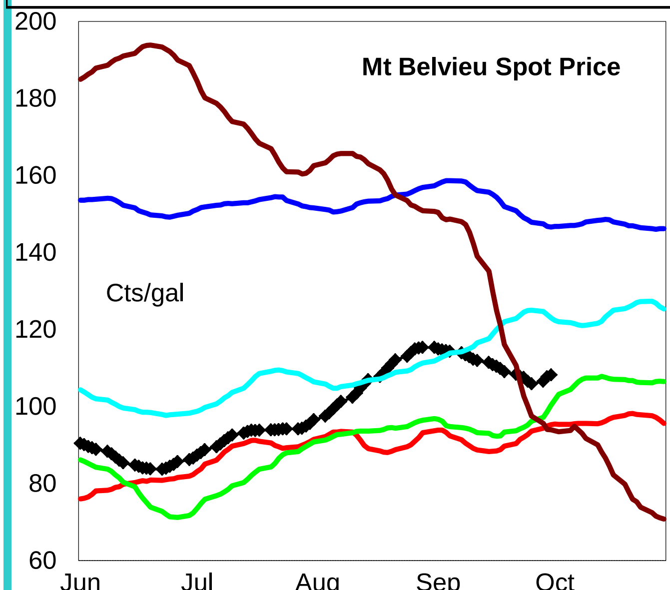
PADD 3 Propane Supply and Demand Balance

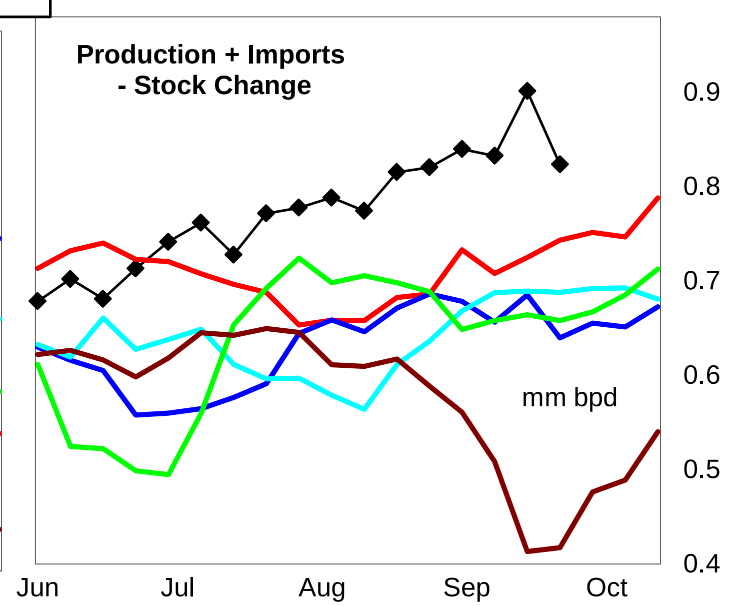












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,340	-624	111	-1	122
% change	-3.6	-62	14.6	-100.0	16.8

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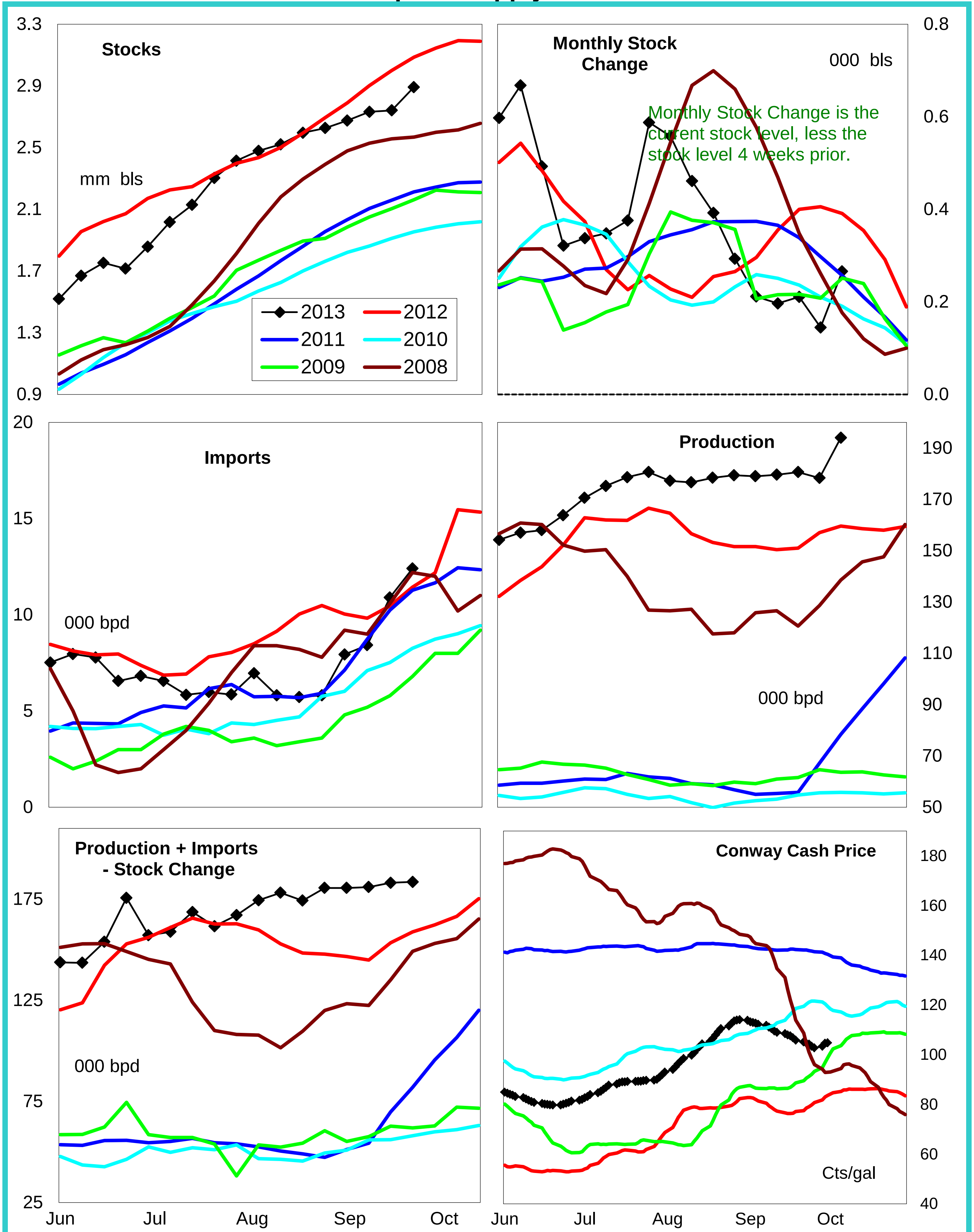
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-260	-126	27	-1	31
% change	-8.2	-32.1	17.6	-10.0	20.6

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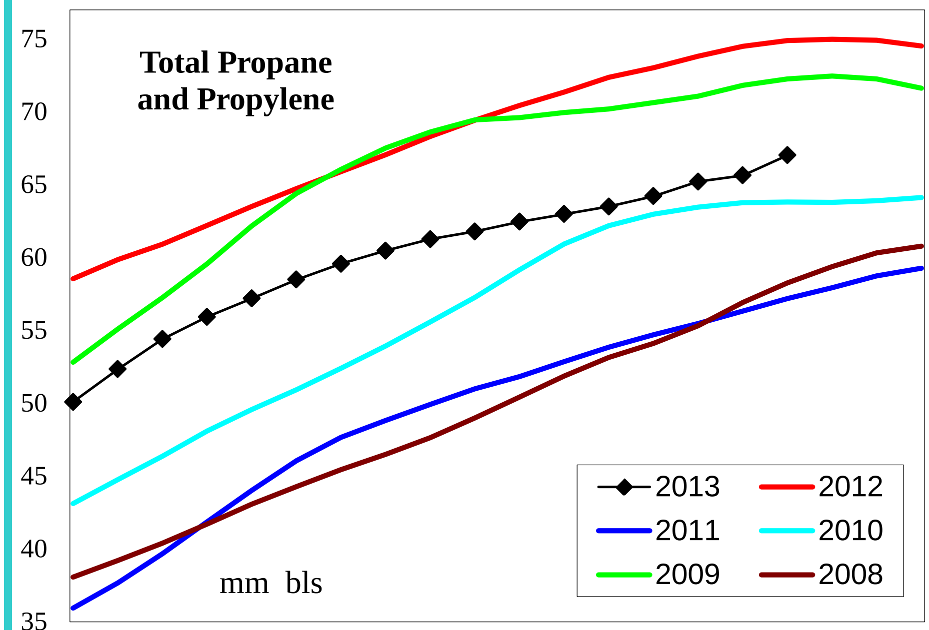
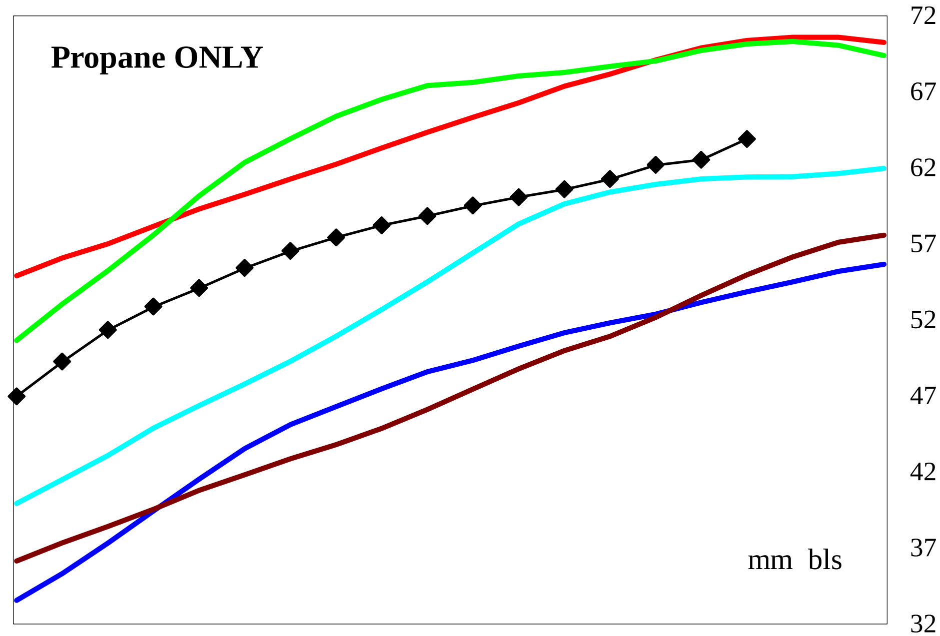
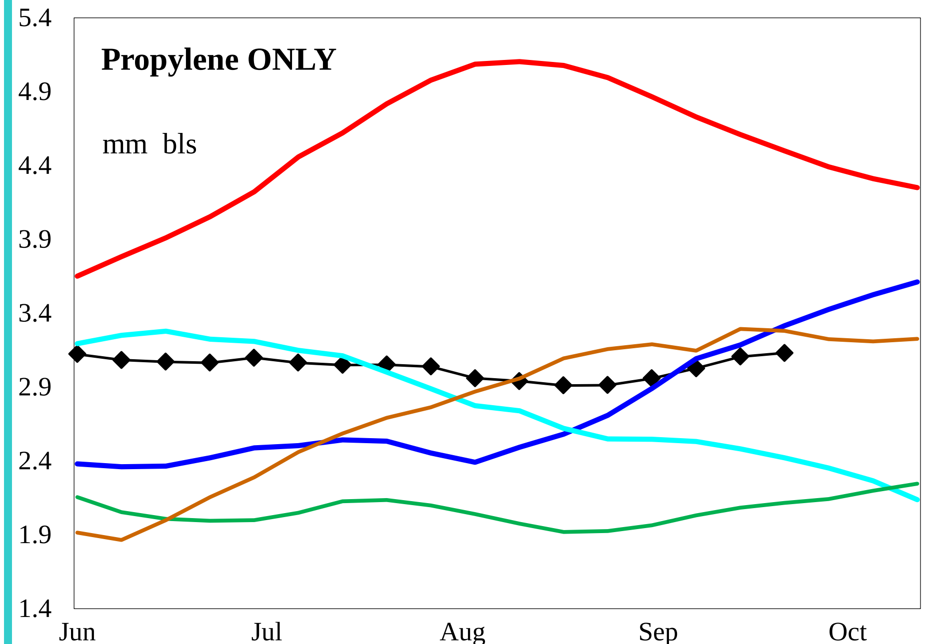
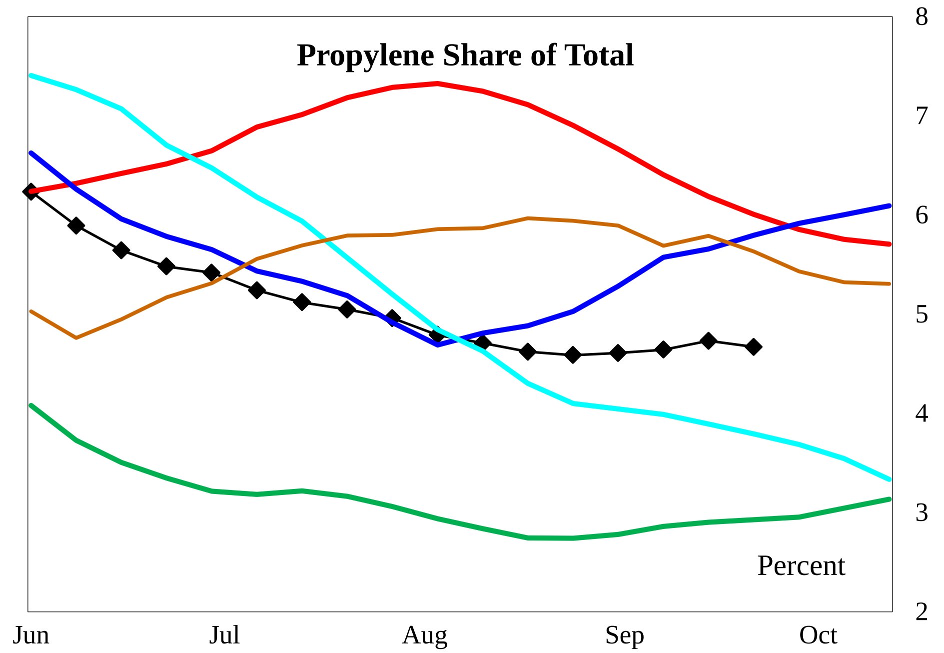
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-8,559	-7,179	-1,368
% change	-11.3	-10.1	-30.4

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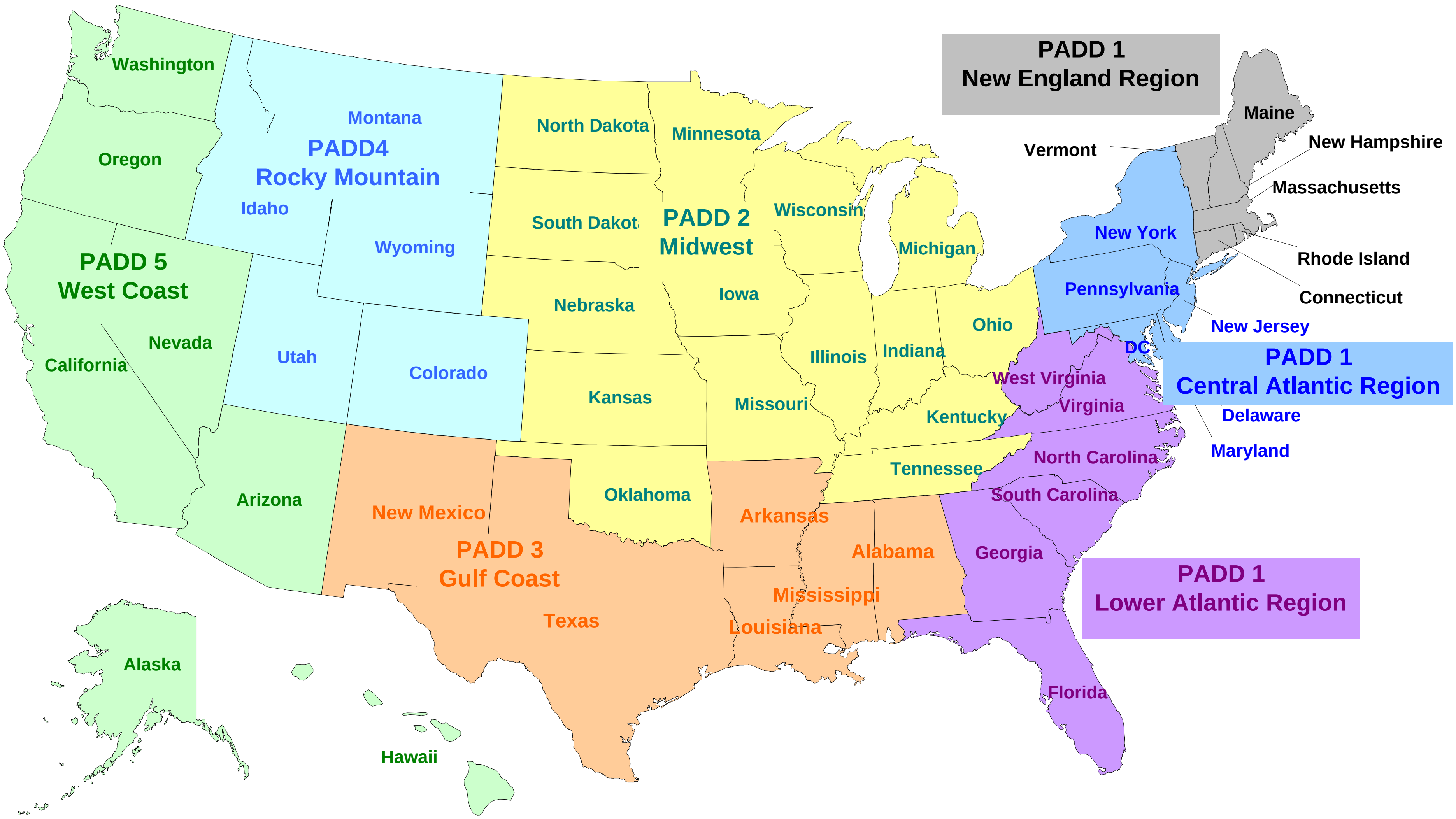
U. S. Petroleum Administrative for Defense Districts (PADDs)



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